

Exhibit H

13 April 2021

SS **Steve Sokolowski** 11:05
Good morning – you said to add you on Telegram, this is Steve Sokolowski

H **Hanson – Genesis** 11:05
Hey Steve

great 11:05

Thank you for adding me here 11:05

Refresher on LTC, can offer 4% OT or 5.5% for 6 month fixed 11:05

Min size is \$500k notional so around 1850 LTC at current prices 11:06

can do between 1–6 month fixed as well, rates would be between those two levels above 11:06

SS **Steve Sokolowski** 11:07
is there a minimum withdrawal amount? I would want to withdrawal 50% of the interest to sell to dollars to pay taxes every time it's paid

H **Hanson – Genesis** 11:07
We can pay the interest ether inkind or in USD

can't split it 50/50 at this time 11:08

SS **Steve Sokolowski** 11:08
could I select that every month – one month USD, one month coins?

that would be fine 11:08

or if not, I can just sell it at Gemini 11:08

H **Hanson – Genesis** 11:09
We can send you the LTC and then you can sell the % you want into dollars each month, would need to keep consistent on our end operationally

SS **Steve Sokolowski** 11:09
ok, no problem

H **Hanson – Genesis** 11:09
In reply to [this message](#)
you can set the interest payment to be your Gemini address to make it easy in this instance

Steve Sokolowski

SS I only have 826 ETH available right now, so you won't accept that, right? 11:09

H Hanson – Genesis 11:10
Correct, mins there are 1,000 firm

SS Steve Sokolowski 11:11
ok – thanks for answering my questions – I'm going to talk with my brother when he wakes up from the night shift around 3pm, and will get back to you later

H Hanson – Genesis 11:11
Sure thing

SS Steve Sokolowski 11:11
oh, one final question – BlockFi is set up so that its investors will take a total loss before its lenders do
is Genesis the same way? 11:12

H Hanson – Genesis 11:12
In the meantime I will send over the MBA/Triparty document via DocuSign to begin the lending relationship, please be on the lookout for those later this morning/afternoon so we can proceed with issuing the term sheet

SS Steve Sokolowski 11:13
ok, thank you – if you could also find out whether Genesis's owners will take losses ahead of the lenders, that would be great

H Hanson – Genesis 11:13
We have no senior creditors
You are entering into a bilateral agreement with our NJ entity Genesis Global Capital LLC 11:14
any losses on the other side of our book is not passed through to you as the lender 11:14
We have both equity and loan loss reserves in the event that occurred 11:14

SS Steve Sokolowski 11:14
ok, that answers my question – thanks

H Hanson – Genesis 11:14
but since our inception in 2018 we have not had any

SS Steve Sokolowski 11:14
I wanted to make sure the executives' incentives were aligned

H

Hanson – Genesis

11:14

No problem!

H

Hanson – Genesis

12:14

MBA doc should with with you via DocuSign now, let me know if any additional questions

SS

Steve Sokolowski

12:15

OK, thank you

SS

Steve Sokolowski

13:11

Hi – just to clarify – an "open term" loan actually means that Genesis could require as long as 11 days to repay it, correct?

H

Hanson – Genesis

13:12

T+7 is what I believe the contract specifies is our legal timeline for returning funds but in practicality it would be same day or t+1 at the latest

SS

Steve Sokolowski

14:27

ok, I signed the document

I can get together about 1250 ETH for now personally – and then once the company "Cryptocurrency Management LLC" is processed by the Pennsylvania Department of Revenue, then that company will have about 140 bitcoins and more ETH

so let me know the process for lending ETH when you have all the legal issues sorted out

H

Hanson – Genesis

14:32

In reply to [this message](#)

Great

For the 1250 ETH are you looking for an open term or fixed?

14:32

Genesis					
A Digital Currency Group Company					
BTC		ETH		USD and major stables	
Rate	Duration	Rate	Duration	Rate	Duration
1.75%	open term	3.50%	open term	10.00%	open term
1.75%	1-month	3.77%	1-month	11.00%	1-month
1.76%	2-month	3.79%	2-month	11.05%	2-month
1.77%	3-month	3.81%	3-month	11.10%	3-month
1.78%	4-month	3.83%	4-month	11.15%	4-month
1.79%	5-month	3.85%	5-month	11.20%	5-month
1.80%	6-month	3.87%	6-month	11.25%	6-month
1.80%	7-month	3.89%	7-month	11.30%	7-month
1.80%	8-month	3.91%	8-month	11.35%	8-month
1.80%	9-month	3.93%	9-month	11.40%	9-month
1.80%	10-month	3.95%	10-month	11.45%	10-month
1.80%	11-month	3.97%	11-month	11.50%	11-month
1.80%	12-month	3.99%	12-month	11.55%	12-month


Genesis minimums: BTC = 50 units | ETH = 1000 units | USD and major stables = \$500k
*Indicative rates for the week of April 12th, 2021. Genesis borrowed unsecured. Rates are subject to change.

SS

Steve Sokolowski

14:34

a one-month term starts immediately, or is that expiring at the end of the next calendar month?

- H** **Hanson – Genesis** 14:34
Same regarding LTC
It starts on the day the term sheet is issued 14:34
let me confirm on that one actually, one second 14:35
- SS** **Steve Sokolowski** 14:35
ok, thanks
- H** **Hanson – Genesis** 14:38
They start accruing interest when the balance settles (term sheet date does not matter) and in practice, after expiry, we treat as open loans. so you will continue to accrue interest at the OT rate
The day of expiration will be listed on term sheet when issued 14:38
- SS** **Steve Sokolowski** 14:40
these are APY or APR?
- H** **Hanson – Genesis** 14:40
APY
-  **Sample Term Sheet John Doe ETH 08062020.pdf** 14:40
11.3 KB
Example for OT loan 14:41
- SS** **Steve Sokolowski** 14:51
ok, let's do open term
ETH is skyrocketing way too much to risk a fixed loan right now 14:51
- H** **Hanson – Genesis** 14:51
Sure
interest in ETH? 14:51
- SS** **Steve Sokolowski** 14:52
yes, as long as I can make a withdrawal of the interest only
you don't have minimum withdrawal amounts, right? 14:52
- H** **Hanson – Genesis** 14:52
We can send you the interest monthly no problem
Steve Sokolowski

SS great, then interest in ETH 14:52

H Hanson – Genesis 14:52
You will just whitelist an address for us to use
1250 ETH open term @ 3.50% with inkind interest paid out monthly 14:52
Would you like to do same for LTC? 14:52

SS Steve Sokolowski 14:52
do you need the exact amount of money?

H Hanson – Genesis 14:53
yes exact units pls

SS Steve Sokolowski 14:53
ok, then you'll need to give me a little while

H Hanson – Genesis 14:53
no worries

SS Steve Sokolowski 14:53
the other issue is that BlockFi may not process the withdrawal until tomorrow

H Hanson – Genesis 14:53
Thats fine

SS Steve Sokolowski 14:53
they do them manually, I think
ok, I'll do the calculations and get back to you by the end of the day 14:53

H Hanson – Genesis 14:53
Sure thing
In the meantime I am going to create a broader group with the rest of the folks on our side, 14:54
will add you in a moment. We can use it for all future communication (lending, trading, settlement
etc)

SS Steve Sokolowski 14:55
do you need all this ETH in one transaction?

H Hanson – Genesis 14:55
Operationally that is preferred

Will wait for exact amount to get that term sheet out 14:58

SS

Steve Sokolowski 15:01

ok, I'll actually leave some in BlockFi because they are paying more on the first 100 ETH

let's go with 1096 15:01

H

Hanson – Genesis 15:01

Sure thing

SS

Steve Sokolowski 15:01

you can write up the contract

H

Hanson – Genesis 15:02

Great thx

Would you like to also paper the LTC as well? 15:03

SS

Steve Sokolowski 15:03

not right now – we each only have 1600

we'll need to wait until Pennsylvania creates the LLC 15:03

and the other issue with LTC is that BlockFi is beating your rates, unfortunately 15:04

H

Hanson – Genesis 15:05

Understood, no worries

From a risk adjusted basis we think our rates are very market competitive, let me know if you change mind at all on that front. In mean time be on the lookout for that ETH term sheet and we can go from there! Thanks Steve 15:06

SS

Steve Sokolowski 15:06

I understand, and that's why we're leaning towards moving the LTC to you after PA processes the paperwork

H

Hanson – Genesis 15:06



SS

Steve Sokolowski 15:07

what sort of information do you need to start the process of opening a corporate account?


can part of that be processed before the state officially creates the entity? 15:07

H


Hanson – Genesis 15:08


The onboarding process is fairly similar, off the top of my head I can't think of a glaring difference between the two but will probably need to have the entity officially created to begin


- SS** **Steve Sokolowski** 15:09
ok, I'll let you know when that happens then
- H** **Hanson – Genesis** 15:09
Great
- SS** **Steve Sokolowski** 15:10
I can't believe so many people want to short litecoins
litecoins always outperform bitcoins from bottom to top 15:10
- H** **Hanson – Genesis** 15:10
Hahaha
Can't speak on behalf of our borrowers but thats what we are here for, help them express their market view 15:11
- SS** **Steve Sokolowski** 15:12
how can I prove your authenticity when it comes time to transfer the money?
can I call a number posted on Genesis's website? 15:12
or do you have a way implemented in software? 15:13
- H** **Hanson – Genesis** 15:20
Are you asking to confirm with our Ops team the wiring instructions?
- SS** **Steve Sokolowski** 15:20
no, when it comes time to send ETH, I want to make sure the address I get is genuine
I'm not criticizing you, but someone could try to impersonate you through Telegram 15:21
- H** **Hanson – Genesis** 15:21
Yes ofcourse
1. Address will be in the term sheet 15:21
2. We can confirm in the broader telegram chat as well als email 15:21
3. We usually do test transactions first then you send balance 15:21
4. The address will also be on the portal online 15:22
- SS** **Steve Sokolowski** 15:22
ok, that's what I needed, #4


 **Hanson – Genesis** 15:22
👍 👍


15 April 2021


 **Steve Sokolowski** 08:45
just want to let you know that I haven't forgotten about this – BlockFi doesn't process withdrawals for 2 days if submitted after 8pm, and the ETH fork is causing problems with my daemon
I hope to get this money sent overnight 08:46


 **Hanson – Genesis** 08:47
No worries
We understand about the BF withdrawal times, interest will just start being accrued once the 08:48 funds land on our side no problem


 **Steve Sokolowski** 22:11
so the BlockFi money was sent successfully – but Gemini is now giving me a date of April 22
so some of the money is there and I guess I'll just have to wait for the rest 22:12


 **Hanson – Genesis** 22:12
Got it
no worries 22:12
Ops team will confirm the first batch once it hits 22:12

 **Steve Sokolowski** 22:12
I'll send it the minute Gemini processes it

 **Hanson – Genesis** 22:13
Great!

 **Steve Sokolowski** 22:13
it should be about 370 that already was sent

 **Hanson – Genesis** 22:13
Got it, when they come back online tomorrow morning can confirm when we receive it on our end

 **Steve Sokolowski** 22:13
ok, have a good night

Hanson – Genesis

H Thanks, you as well 22:14

17 April 2021

SS **Steve Sokolowski** 08:17
 good morning – Genesis gave the loan back to Gemini, so I have the money to deposit from Gemini
 before I do, could you have Genesis sign the loan term sheet? 08:17
 I signed it but I don't think your company did 08:17
 the one at <https://na2.docusign.net/Signing/?ti=55da525e3df7463686da2e39412aec35> 08:17

H **Hanson – Genesis** 08:23
 Hey Steve, I will follow up with our legal team on Monday when they are back online to chase on the term sheet

SS **Steve Sokolowski** 08:26
 does your team process deposits or withdrawals on Saturdays?
 or, do you start paying interest on Mondays? 08:26

H **Hanson – Genesis** 08:27
 Once the full amount has been deposited the interest will start accruing
 the 1096 ETH 08:27

SS **Steve Sokolowski** 08:36
 ok, sent

20 April 2021

H **Hanson – Genesis** 09:06
 Hey Steve, this blog post is great and very in-depth. When you are happy we are happy! Let me know if you need anything else

SS **Steve Sokolowski** 09:07
 please let me know if there are errors in it; Nexo's CEO pointed out some errors that I fixed
 there were about 3000 views yesterday so I don't want to get anyone wrong 09:08

H **Hanson – Genesis** 09:12
 DCG does not own Gemini would be a good thing to point out
<https://dcg.co/portfolio/> 09:12

In reply to [this message](#) 09:12
thats great

SS

[Steve Sokolowski](#) 09:12

Genesis is listed there

did I misunderstand this page? 09:12

H

[Hanson – Genesis](#) 09:13

Genesis (us) is a fully owned subsidiary of DCG correct, but Gemini the exchange is not

SS

[Steve Sokolowski](#) 09:13

oh, oops, sorry

I confused the names 09:13

I'll correct that 09:13

H

[Hanson – Genesis](#) 09:14

No worries!

Genesis

09:15

Genesis Trading LLC is the "lender of last resort" in the cryptocurrency industry. Genesis is by far the largest company involved in lending, with billions of dollars of loans originated every month. They sell clients on BTC, ETH, and USDC deposits, but borrow and lend many other types of coins.

Not only is Genesis the largest trading firm, they are the firm whose business model is closest to a bank of all the lenders that currently exist. While [Gemini](#) offers trading, most of their loans are secured with low loan-to-value ratios. Genesis only accepts clients with \$5m or more in assets. Their minimum deposit sizes are 50 bitcoins, 1000 ETH, and 500,000 USDC. Their current rates for those coins are 1.5% for bitcoins, 3.75% for ETH, and 10% for USDC, for a one-month term.

Many of the lenders are re-lending to Genesis in some capacity. Ledn and Gemini, for example, state that they exclusively lend to Genesis. (Note that we don't trust Gemini's statement on that matter, as described in the Gemini review.) Because these companies are re-lending to Genesis, a few facts can be inferred:

I think this should be Genesis as well

This is one of the most indepth articles on the crypto interest products I (we) have ever seen, awesome job 09:16

SS

[Steve Sokolowski](#) 09:17

what happened is that three months ago I realized that I could earn just as much by moving money around between these companies as I could by actually doing work – so research became a full-time job

H

[Hanson – Genesis](#) 09:17

Great to hear

SS

[Steve Sokolowski](#) 09:17

will correct the second error

H

[Hanson – Genesis](#) 09:18

On a separate note, I think you will enjoy this article talking about how these types of rates exist in the market <https://jumpcap.com/insights/crypto-credit-market-breakdown>

Super exciting to see the crypto credit markets being built over the years! 09:18

SS

Steve Sokolowski 09:21

I can see how arbitrage can provide opportunities – for months our pool could not get approved because all the exchanges were taking months to approve institutional accounts, so we had to sell blocks of bitcoins at a loss at BitFlyer, which always had lower prices

once the companies are able to ramp up onboarding, that will go away 09:22

H

Hanson – Genesis 09:26

In reply to [this message](#)

Thats not good! If you are ever looking for liquidity on your mining proceeds we can transact through our OTC trading desk as well

If I remember you were in the process of getting the entity through the legal hoops in setting up etc correct? 09:27

SS

Steve Sokolowski 09:29

yes, we're still waiting for the state to process it

they generally take 3 weeks, which would be 15 more days 09:29

H

Hanson – Genesis 09:29

Roger that

SS

Steve Sokolowski 09:29

as to blocks, they are only worth 6.5, well below your minimum trade size

H

Hanson – Genesis 09:29

6.5 BTC?

SS

Steve Sokolowski 09:30

6.25 + fees

H

Hanson – Genesis 09:30

Current trade size is \$250k/order so that would be north of that at current prices


SS

Steve Sokolowski 09:30

I was actually told that blocks are worth more because they have no transaction history that could theoretically be involved with drugs

is that true? 09:30

there are rumors that people will pay more for blocks with no history but I don't know if that's true 09:30

 **Hanson – Genesis** 09:31
Certain investors in the market (typically overseas) are paying more for the "virgin" coins


 **Steve Sokolowski** 09:31
would you pay more for them?

 **Hanson – Genesis** 09:31
We would not no

Our desk is trading on a principal basis out of our own balance sheet 09:31

So typically spot + small spread 09:31

27 April 2021

 **Steve Sokolowski** 06:51
good morning – when you have time, it seems like BlockFi is lowering its rates

would you be willing to add 170 ETH to the loan on April 1? 06:52

and what about a second loan for around 4000 litecoins on April 1? 06:52

don't write up any contracts yet; I want to get rates and terms first 06:53


 **Hanson – Genesis** 06:53
Hey Steve good morning

In reply to [this message](#) 06:54
no worries!

In reply to [this message](#) 06:54
sure thing, we can add the ETH to a new Open Term tranche for ETH whenever you would like

In reply to [this message](#) 06:54
Let me get you rates here

would the LTC be for open term or duration? 06:55

 **Steve Sokolowski** 06:56
I'd like to see both

one month or open 06:56

nothing longer 06:56

Hanson – Genesis

H

For LTC I can show 4% for OT or 5.5% if you go out around 6 months

06:58

SS

Steve Sokolowski

06:58

that's a lot lower than the 5.5% from before

in that case, we'll pass on the litecoins – I didn't realize it had gone down so much

06:58

H

Hanson – Genesis

06:58

In reply to [this message](#)

rates have not changed

SS

Steve Sokolowski

06:59

hmmm, I thought it was 5.5

my mistake then – but it's still far below blockfi's rates

06:59

H

Hanson – Genesis

06:59

No worries!

SS

Steve Sokolowski

06:59

however, the ETH is attractive

are your bitcoin rates still below 2%?

06:59

H

Hanson – Genesis

06:59

Genesis					
A Digital Currency Group Company					
BTC		ETH		USD and major stables	
Rate	Duration	Rate	Duration	Rate	Duration
1.75%	open term	3.50%	open term	9.00%	open term
2.00%	1-month	3.77%	1-month	9.75%	1-month
2.01%	2-month	3.79%	2-month	9.80%	2-month
2.02%	3-month	3.81%	3-month	9.85%	3-month
2.03%	4-month	3.83%	4-month	9.90%	4-month
2.04%	5-month	3.85%	5-month	9.95%	5-month
2.05%	6-month	3.87%	6-month	10.00%	6-month
2.06%	7-month	3.89%	7-month	10.05%	7-month
2.07%	8-month	3.91%	8-month	10.10%	8-month
2.08%	9-month	3.93%	9-month	10.15%	9-month
2.09%	10-month	3.95%	10-month	10.20%	10-month
2.10%	11-month	3.97%	11-month	10.25%	11-month
2.11%	12-month	3.99%	12-month	10.30%	12-month

Genesis minimums: BTC = 50 units | ETH = 1000 units | USD and major stables = \$500k
*Indicative rates for the week of April 20th, 2021. Genesis borrows unsecured. Rates are subject to change.

Above 2% with duration

06:59

SS

Steve Sokolowski

07:00

ah, good – below 1.5% I think is the limit I would take for anyone, regardless of reputation, so I'm glad to see the rates normalizing

ok, then please add a new loan for 170 ETH beginning April 1


07:01


open term


07:01


the other coins I'll wait to move forward on, if at all, until the LLC is finished


07:01


 **Hanson – Genesis** 07:01
In reply to [this message](#)
copy that

 **Steve Sokolowski** 07:01
I will be outside today planting a new raspberry garden, so I won't respond until tomorrow
but since it's April 1, there's some time left 07:02
oops 07:02
I meant May 1 07:02



 **Hanson – Genesis** 07:02
In reply to [this message](#)
when May 1st comes around you can put in the bigger group you would like to add 170 ETH open
term to the existing ~1070 and our lending desk will send a new term sheet with updated amount
right May hahaha 07:02

 **Steve Sokolowski** 07:03
ok, I'll put in a withdrawal request today then so I don't end up delayed like last time
thanks for your help! 07:03

 **Hanson – Genesis** 07:04
In reply to [this message](#)
great sounds good
Happy to help! Thank you for choosing Genesis 07:04
let me know if anything else comes up 07:04

 **Steve Sokolowski** 07:04
no problem – have a great day!

29 April 2021

 **Hanson – Genesis** 08:34
Morning Steve
Wanted to pass along our recent Q1 market report that we released yesterday morning, 08:34
highlighting our trading/lending/derivatives businesses
you can find our full historical records on the website here 08:34
<https://genesistrading.com/about/insights/>
 **Genesis Q1 2021.pdf** 08:34

 5.2 MB

- SS** **Steve Sokolowski** 08:51
thank you – I'll take a look
- H** **Hanson – Genesis** 08:51
👍 👍
Also if you don't mind me asking, more personal question regarding your mining business 08:51
as someone who just got into BTC mining this week 08:51
- SS** **Steve Sokolowski** 08:51
sure
- H** **Hanson – Genesis** 08:52
Are you helping people acquire ASICS through financing? just more general on the business model of prohashing
- SS** **Steve Sokolowski** 08:52
no – we are just a pool
we don't lend out money 08:52
- H** **Hanson – Genesis** 08:52
ahh gothca
- SS** **Steve Sokolowski** 08:53
are you looking to start a mining farm?
- H** **Hanson – Genesis** 08:53
Just more curious as to the nature of what you all are doing
I used Compass Mining to purchase a few ASICS recently 08:53
- SS** **Steve Sokolowski** 08:54
yes, because we work on the pool side I'm not always up to date on what each manufacturer is offering
we often only find out about that when a manufacturer puts out something with an incompatibility 08:54
- H** **Hanson – Genesis** 08:54
Right that makes sense
whats the pools current hash rate? 08:54

SS **Steve Sokolowski** 08:55
visit prohashing.com, click "Status"
there are a lot of algorithms so I can't give one answer here 08:56

H **Hanson – Genesis** 08:57
thats awesome
how long have you been running that? 08:57

SS **Steve Sokolowski** 08:58
since 2013

H **Hanson – Genesis** 08:58
wow!

SS **Steve Sokolowski** 08:58
I read this document and it's interesting how Genesis wrote that BTC rates are hitting bottom
I'm not sure whether I can get the LLC idea to invest BTC anymore 08:58
because your rates are below 2% and we're thinking that isn't worth the risk 08:59
it's not that your rates are uncompetitive – just that the rates are so low they aren't worth it 08:59

H **Hanson – Genesis** 08:59
Understood, no worries

SS **Steve Sokolowski** 08:59
but I did see you went up from 1.5% to 1.75%
so I'm watching and hoping you get back above 2 08:59


H **Hanson – Genesis** 08:59
the days of 6% on BTC are probably long gone unless we enter a substantial bear market

SS **Steve Sokolowski** 09:00
I think that when the bear market comes they will hit 6% again

H **Hanson – Genesis** 09:00
In reply to [this message](#)
we can improve above 2% if you go out longer with the fixed duration


SS **Steve Sokolowski** 09:00
oh, I didn't see that

the last chart from last month didn't have much difference between open and one month 09:00


 **Hanson – Genesis** 09:01
rates tend to change slightly week to week, I'll make sure to send them along to you when they change to highlight any bumps etc

 **Steve Sokolowski** 09:02
ok

if we gave you some bitcoins could you change them to ETH and pay interest on that? 09:04

 **Hanson – Genesis** 09:05
We can help you execute a BTC/ETH trade through the OTC desk


 **Steve Sokolowski** 09:05
BTC has been going nowhere and all the innovation is on ETH – and the rate mismatch is odd

 **Hanson – Genesis** 09:05
and then begin lending the ETH, minimum units is 1,000 for that

 **Steve Sokolowski** 09:05
ok, I'll talk to them about it

 **Hanson – Genesis** 09:05
Sure thing

30 April 2021

 **Steve Sokolowski** 10:07
does your company own the firm referenced in this article, or is it just the same name?

<https://news.bitcoin.com/canaan-to-sell-93-million-in-next-generation-bitcoin-miners-to-genesis-digital-assets/> 10:07

 **Hanson – Genesis** 10:07
We do not

Same name 10:08

 **Steve Sokolowski** 10:08
ok, thanks

 **Hanson – Genesis** 10:08
confusing lol

Our sister company is Foundry though on mining side 10:08

SS

Steve Sokolowski 10:09

I was going to ask to speak to whoever made that purchase if it was this Genesis

H

Hanson – Genesis 10:09

Ah gotcha

1 May 2021

SS

Steve Sokolowski 10:33

would you take BCH, and what are your rates for an open term? you don't have to answer until Monday

2 May 2021

H

Hanson – Genesis 08:20

Hey Steve

SS

Steve Sokolowski 08:20

good morning!

H

Hanson – Genesis 08:20

Genesis					
A Digital Currency Group Company					
Genesis Lending					
AAVE	BSV	ETH	LPT	RSV	USDC
ADA	BTC	FIL	LTC	SNX	USDT
ALGO	BUSD	FLOW	MANA	SOL	XTM
AMPL	CELO	FTT	MKR	SUSHI	XMR
AMP	COMP	GUSD	NEO	TRX	YFI
ATOM	DAI	GRT	OMG	TUSD	ZEC
BAT	DASH	HT	OXT	UMA	ZEN
BCH	EOS	KNC	PAX	UNI	ZRX
BNB	ETC	LINK	PAXG	USD	

Min borrow of \$1mm equivalent for all ex-BTC & ETH. Assets which Genesis can borrow or lend.

We accept BCH for lending yes, here is table of assets on that front 08:20

Minimum size is \$1mm for all alts besides BTC/ETH 08:21

SS

Steve Sokolowski 08:21

oh, never mind – I thought you had said the limit was \$500,000

no need to go further then, I don't want to own that much BCH 08:21

H

Hanson – Genesis 08:21

👍 👍 understood

4 May 2021

SS **Steve Sokolowski** 08:27
how long would it be until the money is in dollars if I told you to call the ETH loan and sell all of it to dollars?
I don't want you to do that now, I just want to find out 08:27

H **Hanson – Genesis** 08:28
We would be able to execute the trade as soon as you request it
with dollars being sent to you same day (or if in evening next morning) 08:28

SS **Steve Sokolowski** 08:28
and there wouldn't be a delay in calling the loan?

H **Hanson – Genesis** 08:28
No our lending and trading desk can handle that all in back end
good synergies between the two 08:28

SS **Steve Sokolowski** 08:29
if I were to ask, could you do something like "if ETH hits \$4900, call the loan and sell it?"

H **Hanson – Genesis** 08:29
We do not support limit orders at this time given the need to have a trader watching prices specifically for all those types of trades across our hundreds of clients

SS **Steve Sokolowski** 08:30
ok
and is your desk available overnight? 08:30

H **Hanson – Genesis** 08:30
but if/when ETH nears 4,900 I will remember to reach out to you to see if you are looking to trade

SS **Steve Sokolowski** 08:30
or do you have limited hours?

H **Hanson – Genesis** 08:30
Spot OTC Trading Desk Hours
· Sunday 8am EST to Friday 6pm EST
· Saturday coverage from 8am EST to 6pm EST
almost 24/7 08:30

hiring more traders across offices globally to round it out 08:30

SS

Steve Sokolowski 08:30

ok – great, thanks

H

Hanson – Genesis 08:31

No problem

SS

Steve Sokolowski 08:31

don't do anything now, I just wanted to know

H

Hanson – Genesis 08:31

yup

I am not authorized to trade for you no worries 08:31

I am goin gto add a few of the traders to your chat just so we have ready 08:31

SS

Steve Sokolowski 08:32

ok, I don't think that's anything I'll have to worry about soon but what's happening recently is shocking

ETH could be worth \$10,000 next week and it wouldn't be surprising 08:32

H

Hanson – Genesis 12:15

Hey Steve

when you log into the online portal do you see the "trading" tab? 12:15

you can also submit trade requests through the portal 12:15

<https://genesistrading.com/trading-tutorial/> 12:15

not only through telegram 12:15

SS

Steve Sokolowski 12:17

ok, thank you

6 May 2021

SS

Steve Sokolowski 22:27

the LLC was successfully created, so I'm ready to create its account at Genesis

let me know whether I should go through a standard account opening or whether you can speed up the 10-day delay it took Genesis last time 22:28

7 May 2021

SS **Steve Sokolowski** 07:38
 what I want is for this existing account to simply change to be owned by the LLC, so that way you don't have to close out and reopen loans

H **Hanson – Genesis** 07:52
 Hey Steve, we will need you to onboard the entity the loans will be in the name of

In reply to [this message](#) 07:53
 You will have to reonboard with the entity, close the current loans (in your name) and then reopen them in the name of the new account/entity

Let me know if/when you submit the application for the entity and I can flag to our onboarding team 07:53

SS **Steve Sokolowski** 08:21
 ok, I will fill out the application after this meeting ends and let you know later this morning

H **Hanson – Genesis** 08:22
 Sounds good!

SS **Steve Sokolowski** 14:38
 ok, I submitted the application for editor@shoemakervillage.org

once it's approved, hopefully you can get these assets moved over and then I will have about \$10 million more depending on rates 14:38

many of the questions in that application were not applicable to me, so I left them blank – I hope that will not be a problem 14:38

H **Hanson – Genesis** 15:00
 "Cryptocurrency Management LLC" correct?

I've let our onboarding team to know prioritize that application given you are an existing client of ours 15:02

SS **Steve Sokolowski** 15:33
 yes, that's the name

thanks for your help 15:33

H **Hanson – Genesis** 15:34
 Perfect

ive been told its in stages for final approval, so should be by end of day possibly 15:35

SS **Steve Sokolowski** 15:38
 wow, I can't believe it's that fast

it took about 10 days the last time 15:38

maybe because the entity has no assets and it's an empty shell right now 15:38

H

Hanson – Genesis 18:15

Hey Steve our onboarding team going to reach out, they need small follow ups for the entity

Just talked to them 18:15

SS

Steve Sokolowski 18:34

ok – I'll await their contact

10 May 2021

SS

Steve Sokolowski 12:40

hey, our hot wallets have too much ETH in them now and that happens about every week

H

Hanson – Genesis 12:40

Hey Steve

SS

Steve Sokolowski 12:40

do you want these tranches of 5 blocks or so every week, or are you not interested in them?

it's usually around 20 in profit per week 12:40

H

Hanson – Genesis 12:41

Are you asking to deposit 20 ETH/week?

SS

Steve Sokolowski 12:41

it wouldn't be regular – just whenever the hot wallet has a dangerous amount we would send them to you

we don't plan to sell them anytime soon 12:41

if you don't want them we can use Celsius 12:42

but I prefer Genesis 12:42

11 May 2021

H

Hanson – Genesis 10:41

Hey Steve apologies here, right now that would be well below the minimums. If you wanted to start out with 1,000 ETH open term and then add in the additional ETH whenever you received them we can do it that way

Steve Sokolowski

- SS** well, there already is the 1300 ETH in that account 10:42
- so adding more would be fine then? 10:42
- H** **Hanson – Genesis** 10:43
- ah right right apologies
- yes we can add more to the balance but would prefer if it came in larger sizes than those given we need to repaper the termsheet/udpate the database each time 10:44
- SS** **Steve Sokolowski** 10:44
- ok – I will talk to my brother about that then and get back to you later – thanks!
- H** **Hanson – Genesis** 10:44
- sure thing
- I believe the onboarding team also went back to you regarding the entity with some follow ups? let me know if i need to push them there if you got back 10:45
- SS** **Steve Sokolowski** 10:46
- I didn't see anything from Genesis
- which communication method did they use? 10:46
- H** **Hanson – Genesis** 10:47
- let me revert
- in my minds eye I had it that they reached out for more information 10:47
- SS** **Steve Sokolowski** 10:47
- you said they would, but I checked E-Mail, Telegram, voice call, and text, but saw nothing
- H** **Hanson – Genesis** 10:48
- was sent to shoemaker email
- From: Genesis Onboarding | Genesis Trading
 Sent: Friday, May 7, 2021 6:25 PM
 To: "editor@shoemaker.village.org" <editor@shoemaker.village.org>
 Cc: Genesis Trading | Onboarding <Onboarding@GenesisTrading.com>
 Subject: Genesis Application Follow-Up

Hello Steve,

Thank you for your interest in Genesis Global Trading.
 We are reviewing your application and have a follow-up request:

 - Your application is missing the W9 tax form. Kindly complete the attached W9 and return to us.
 - As this is a newly formed entity, there aren't any audited financials available therefore please provide a copy of your Banking/Brokerage Statement.

Once all documentation has been received we will continue to process your application.

Thanks in advance,
 Genesis Onboarding Team
- SS** **Steve Sokolowski** 10:48
- it was deleted as spam
- let me log into the server and configure that 10:49

H **Hanson – Genesis** 10:49
kk np
do they need to resend? 10:50

SS **Steve Sokolowski** 10:50
ah, I see, spamassassin has a filter that blocks out all mail to sign up at a new cryptocurrency service
there must be a lot of scams 10:50
no, I can retrieve it 10:50
I will disable the filter 10:51

H **Hanson – Genesis** 10:51
kk


SS **Steve Sokolowski** 10:53
I can send the W-9 form
but we don't have a bank account for that organization because we don't need one 10:53
we will never interface with the legacy system 10:53
I can try to get an account set up if that's necessary, but banks close accounts with zero balances or charge fees 10:54

H **Hanson – Genesis** 10:54
let me revert on banking statement
makes sense, we worked with crypto native clients in past 10:54
In reply to [this message](#) 10:54
im with you here! haha

SS **Steve Sokolowski** 10:55
honestly the only time I use regular banks anymore, even for myself individually, is to pay taxes
I use [Purse.io](#) to buy stuff with bitcoins natively 10:55
so I will send them the W-9 then if that's OK 10:55


H **Hanson – Genesis** 10:56
yes i am chatting our onboarding rep who was assigned
please send W9 and i will revert on the banking stuff 10:57

Steve Sokolowski


 actually I see it already submitted 10:57

in step 2 on additional, it says that the form is already there 10:57


oh wait 10:58

 **Hanson – Genesis** 10:58

hmm


 **Steve Sokolowski** 10:58

it was the wrong file

 **Hanson – Genesis** 10:58


ok

no worries 10:58

 **Steve Sokolowski** 10:58

here is the right one


can you forward it or do I need to do something to get it to them? 10:58

 **Hanson – Genesis** 10:59

can you pls email that back in response


has to come from you 10:59

i am going to delete that file here as it has your SSN and don't want it living on telegram servers 10:59


 **Steve Sokolowski** 11:01

ok, I sent it to them


how about this – once they get that approved, then you can move the existing ETH loans to that account and add this ETH, so it makes it easy for you to have one entry 11:01

 **Hanson – Genesis** 11:02

We will have to close the loan in your name and repaper new documents/term sheets in the entity name


 **Steve Sokolowski** 11:02



that's fine – and you can make that new loan larger


 **Hanson – Genesis** 11:02


yes we can make the new loan whatever size you want


i know you mentioned funding additional assets 11:02


 **Steve Sokolowski** 11:03
yes – could you send me the image for your latest rates for today?


 **Hanson – Genesis** 11:03
 **image_2021-05-11_11-03-28.png**
182.9 KB


 **Steve Sokolowski** 11:04
ok, with the BTC rates at 2%, then we will want somewhere near 145 bitcoins
I'll get you the exact number by the afternoon 11:04


 **Hanson – Genesis** 11:04
Sure thing


 **Steve Sokolowski** 11:04
and what's the current open term LTC rate?


 **Hanson – Genesis** 11:04
for 5,500 units?
on LTC 11:04


 **Steve Sokolowski** 11:04
about that, yes

 **Hanson – Genesis** 11:05
4%

 **Steve Sokolowski** 11:06
ok, that one I'll need to think about then

 **Hanson – Genesis** 11:06
no worries

 **Steve Sokolowski** 11:06
let me know when the account is approved and I'll get the exact numbers to you

 **Hanson – Genesis** 11:07
you got it

SS **Steve Sokolowski** 11:08
and also put me on a list to be notified when you start taking dogecoins
if you have such a list 11:08

H **Hanson – Genesis** 11:08
we are borrowers of DOGE
8% for open term, 11% for 6-months 11:09

SS **Steve Sokolowski** 11:09
oh you are?
wow 11:09
what's the minimum? 11:09

H **Hanson – Genesis** 11:10
How much do you have to lend?

SS **Steve Sokolowski** 11:11
running query now
312366 11:12
probably too small for you 11:12

H **Hanson – Genesis** 11:12
yea a bit under our mins, usually \$1mm notional for all alt coins but we would accept \$500k for
this given demand

SS **Steve Sokolowski** 11:13
[Protected by NDA]
talk to you later when the account is approved 11:13


H **Hanson – Genesis** 11:13
sure sure

H **Hanson – Genesis** 13:18
Hey Steve
can you clarify the ownership of the LLC? as was under impression it was a new entity for
you and your brother but you are listed as sole owner 13:19

SS **Steve Sokolowski** 13:19
we set it up that I am the sole owner, and we will make contracts for loans

that way we don't have to change the ownership stakes in the company every time one person has more money to deposit 13:19

I think I submitted an ownership agreement that describes how there are four people involved and we will keep loan documents that specify who is owed what 13:20


 **Hanson – Genesis** 13:21
Okay great ty let me communicate this with them

 **Hanson – Genesis** 14:45
Hi Steve

"ok so if we can get ID's for Christopher Sokolowski and James Webster and also does he having anything for Prohashing that will evidence that he is sole owner?" 14:45

our onboarding team request the above 14:45

just need a few pieces of documentation for us to have on file for the entity being onboarded 14:45

 **Steve Sokolowski** 14:45
he's not the sole owner of Prohashing – I have some of that ownership

we should be able to get you that information by tomorrow 14:46

he's not available today unfortunately 14:46

do you just want a driver's license picture? 14:46


 **Hanson – Genesis** 14:48
In reply to [this message](#)

okay great any docs on ownership of that would be helpful as well


yes drivers license works 14:48

In reply to [this message](#) 14:48

no worries

 **Steve Sokolowski** 14:48
ok, I'll collect all that information and send it to them

 **Hanson – Genesis** 14:49
Awesome appreciate it

 **Steve Sokolowski** 16:42
it looks like he finished at the bank sooner than I expected, so I was able to send that data over to them

let me know if you need anything else 16:42

H

Hanson – Genesis

16:42

ok great

let me tell them to be on lookout

16:43

14 May 2021

SS

Steve Sokolowski

08:05

good morning – it looks like the Cryptocurrency Management account has been approved

H

Hanson – Genesis

08:08

Hey Steve

Great

08:08

SS

Steve Sokolowski

08:08

could you send me your latest image so I can see if it changed and then we can get the numbers to you

H

Hanson – Genesis

08:08

You are going to want to close the current loan in your individual account yes?

SS

Steve Sokolowski

08:08

yes, roll over all three entries there and add additional ETH

and then a new BTC loan

08:08

H

Hanson – Genesis

08:08

Genesis		
A Digital Currency Group Company		
BTC		
Rate	Duration	
2.00%	open term	
2.25%	1-month	
2.26%	2-month	
2.27%	3-month	
2.28%	4-month	
2.29%	5-month	
2.30%	6-month	
2.31%	7-month	
2.32%	8-month	
2.33%	9-month	
2.34%	10-month	
2.35%	11-month	
2.36%	12-month	
ETH		
Rate	Duration	
2.75%	open term	
3.02%	1-month	
3.04%	2-month	
3.06%	3-month	
3.08%	4-month	
3.10%	5-month	
3.12%	6-month	
3.14%	7-month	
3.16%	8-month	
3.18%	9-month	
3.20%	10-month	
3.22%	11-month	
3.24%	12-month	
USD and major stables		
Rate	Duration	
9.75%	open term	
10.00%	1-month	
10.10%	2-month	
10.20%	3-month	
10.30%	4-month	
10.40%	5-month	
10.50%	6-month	
10.60%	7-month	
10.70%	8-month	
10.80%	9-month	
10.90%	10-month	
11.00%	11-month	
11.10%	12-month	

Genesis minimums: BTC = 50 units | ETH = 1000 units | USD and major stables = \$500k

*indicative rates for the week of May 10th, 2021. Genesis borrows unsecured. Rates are subject to change

SS

Steve Sokolowski

08:09

I need to do some math and I'll get back to you soon with the exact numbers


good, the rates are fine


08:09


I also need to get 96 bitcoins from Gemini, which means I need to wait for Gemini to call them from Genesis

08:10


but we can get the paperwork started 08:10

 **Hanson – Genesis** 08:10
Sounds good I will have the paperwork sent in a moment


 **Hanson – Genesis** 08:35
Hey Steve do you think you would ever want to post the crypto as collateral to borrow USD
I'm going to have them send that paperwork as well just in case so we have on file if thats ok? 08:35


 **Steve Sokolowski** 08:36
sure – but we would never want to borrow dollars


 **Hanson – Genesis** 08:36
okay then we can hold off for now
no worries 08:36


 **Steve Sokolowski** 08:36
we would want to borrow bitcoins if ever

 **Hanson – Genesis** 08:36
ah ok
lets do it then just to have in place 08:36

 **Steve Sokolowski** 08:36
because our miners are paid in bitcoins
we don't have dollar-denominated debts 08:36
the time we would consider a loan would be to offer PPS mining in bitcoins, so that we would have a reserve in case of bad luck 08:37

 **Hanson – Genesis** 08:37
docusign should be going to shoemaker email in a moment

 **Steve Sokolowski** 08:37
ok, thanks
so you can send the document but I don't think we would want loans at the moment 08:37

 **Hanson – Genesis** 08:37
sure thing, we also can help you hedge any BTC exposure through derivatives if that is something of interest

In reply to [this message](#) 08:37

yes no worries

MBA/MLA just need to be in place, nothign happns until term sheets are issued 08:37

SS

Steve Sokolowski 08:39

what we would need is some way to have at least three blocks of bitcoins in reserve, and if the price of bitcoins falls or rises, we don't want to go bankrupt

I don't know if that's even possible to do 08:39

ideally there would be some way to say we want to spend a million dollars and if we get unlucky we lose it and if we get lucky we gain more but we only lose or gain due to mining luck 08:40

but anyway, I know you are busy so I don't want to waste time on something that would be in the future 08:40

H

Hanson – Genesis 08:41

no worries at all

we have worked with BTC miners in the past but not necessarily mining pools...let me think 08:41

DocuSign should be with you now 08:50

SS

Steve Sokolowski 08:50

got it

SS

Steve Sokolowski 09:07

ok, signed – once you sign, I will send it to the others to make sure they are OK

H

Hanson – Genesis 09:10

Recipients		COMPLETE	
1	✓ Steve Sokolowski ssokolowski@genesislegal.org	Signed on 3/25/2025 1:00:00 AM Signed in location	
2	✓ Genesis Legal hanson@genesislegal.org	Signed on 3/25/2025 1:00:00 AM Signed in location	

should be signed now 09:10

SS

Steve Sokolowski 09:12

there are two areas I see unsigned – on page 20, where it says "head of risk"

or am I missing something? 09:12

H

Hanson – Genesis 09:13

ah sorry missed that

should be signed by Kris in a few 09:13

Steve Sokolowski

SS ok 09:13

H Hanson – Genesis 09:23
should we create a new telegram group for the entity with your business partners

SS Steve Sokolowski 09:23
sure, you can do that
once you create it, I can invite them 09:24
or I can do it 09:28
there we go 09:29


H Hanson – Genesis 09:29
Great thanks invite rest of our team


SS Steve Sokolowski 09:30
are you sure you want them to be bothered with all the discussions we have about loan amounts and such?
if so I have no problem with that 09:30
I just don't want to include too many people who are annoyed with their phone vibrating all the time 09:30
actually, let's just delete this new group and I'll add them to the Steve Sokolowski -> 09:31
Genesis group
ok, added 09:32


H Hanson – Genesis 09:33
In reply to [this message](#)
kk

H Hanson – Genesis 13:50
Hey Steve spoke with our derivs desk as well, they mentioned we work with other mining pools for hedging if you would like to speak over phone about it next week
Foundry USA is our sister company who we work closely with on this 13:50


SS Steve Sokolowski 13:52
ok, I will need to talk to my brother about how we would work that or even if it's worth getting into bitcoin mining
because I'm not confident about bitcoin's future and we are making a killing with the ETH tx fees 13:52

 **Hanson – Genesis** 13:52
no worries, just wanted to let you know its an option


 **Steve Sokolowski** 13:54
ok, thanks

 **Steve Sokolowski** 15:24
signed the term sheets


21 May 2021

 **Hanson – Genesis** 15:10
Hey Steve apologies here tryign to get a hold of our head of risk to sign off


Our legal has signed off already however and it is considered executed from our lending 15:11
desk point of view ready to accrue interest if you are ready to send before you have to leave for
the weekend

 **Steve Sokolowski** 15:31
ok, that's fine

I will get the money sent shortly 15:31


 **Hanson – Genesis** 15:33
Thanks Steve

Dan can confirm in the chat when it lands 15:33


 **Steve Sokolowski** 15:45
please confirm receipt

or I'll ask him 15:45

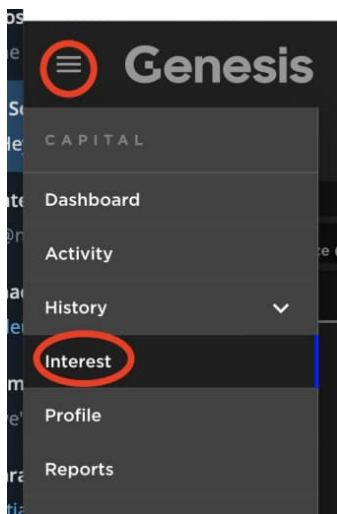
3 June 2021

 **Steve Sokolowski** 10:13
hey, I got an E-Mail a few days ago saying that an interest statement was available, but I logged in
this morning and don't see it where the E-Mail said it would be

am I misunderstanding what the message said? 10:13

 **Hanson – Genesis** 10:17
Hey Steve

10:17



10:17

if you click on the hamburger menu on the left when you are in the capital tab

10:17

and then click interest

10:17

you can create a report

10:17

SS

Steve Sokolowski

10:17

ah, ok, thanks, I was stupidly clicking on payables

H

Hanson – Genesis

10:18

no worries

SS

Steve Sokolowski

10:18

thinking that payables was meaning you pay us

I'm not sure if it's written down but you don't have to pay us – just always make new loans with the interest

10:18

H

Hanson – Genesis

10:18

yes default is to compound

SS


Steve Sokolowski


10:18


great – that's all I need, have a good day

 **Hanson – Genesis** 10:18
awesome, you too!

14 June 2021


 **Steve Sokolowski** 09:51
good morning – I want to call our June 1 interest loan of 0.09155949 BTC to pay taxes
just that one loan 09:51
if you can change it into USDC, then even better – but I'm guessing you can't, in which case I 09:52
will add a Bittrex address to the dashboard

 **Hanson – Genesis** 10:01
Hey Steve you can request a withdrawal of the BTC in the main chat
and add a BTC address for us to send to as well in the chat (we will ask you to also send via 10:01
email to confirm)
Going forward do you want to change the interest to be paid out? Or just this one time 10:02

 **Steve Sokolowski** 10:04
just this time
I just saw the increase in price and realized that I was behind in my USDC that's allocated 10:04
for tax payments
I'll inform everyone in the chat, thanks 10:04

 **Hanson – Genesis** 10:05
sure thing
In reply to [this message](#) 10:05
copy

29 June 2021

 **Hanson – Genesis** 11:48
Hey Steve just to clarify a bit more on the side here, its okay if you say a general range for our
rates but giving specifics out to the public is somethat that we do not want
ie. "2–3% for BTC/ETH" or 5–6% for cash 11:48
we tend to update our rates a lot more than retail focused platforms so we dont post them 11:49
publicly anywhere, also do not want that to be general knowledge given our position in the crypto
credit markets as the largest institutional desk

Steve Sokolowski

SS

well, what I'd like to do, if you permit it, is to state that your rates are more competitive than what BlockFi is offering 11:51

I think that's a plus to you 11:51

and what Ledn is offering and what Gemini is offering too 11:51

so you can decide whether I should state that or not 11:51

H

Hanson – Genesis 11:56

In reply to [this message](#)

Yup that is a plus sounds good

i know they are lowering rates again quite substantially 11:56

4 August 2021

H

Hanson – Genesis 09:32

Hey Steve good morning! Wanted to ping you here to let you know that we released our Q2 report this morning. Provides some great detail across our various lines of businesses (trading/lending/derivatives). You can also find a full historical record on our website at <https://genesistrading.com/about/insights/>.

<https://f.hubspotusercontent00.net/hubfs/6024551/Genesis%20-%20Quarterly%20Reports/Genesis%20Q2%20Report.pdf>

SS

Steve Sokolowski 09:33

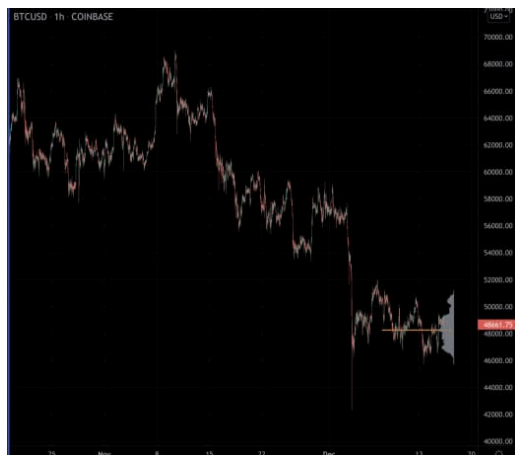
thanks! I'll take a look!

16 December 2021

H

Hanson – Genesis 09:45

Our business is better than ever, rates aren't a reflection of that just for your knowledge haha



09:46

The market determines the rates

09:46

7 January 2022

SS

Steve Sokolowski

11:16

I want to be ready – if a liquidation cascade starts today or tomorrow and we see prices around \$29,000, will Genesis be available to convert large amounts of USDC into BTC or ETH?

or, could you not call a loan on a Saturday

11:16

oops, wrong place – I'll put this in th emain chat

11:16

10 January 2022

H

Hanson – Genesis

11:33

Hey Steve

can you send me a screenshot of your screen?

11:33

SS

Steve Sokolowski

11:34

there's nothing wrong now

it looks like whatever was done fixed the issue

11:34

thanks for your help

11:34

H

Hanson – Genesis

11:35

Okay great

15 June 2022

H

Hanson – Genesis

11:30

Hey Steve what is your cell?

SS

Steve Sokolowski

11:30

8146009800

H

Hanson – Genesis

11:31

Okay ringing in a sec

got your voice mail

11:31

SS


Steve Sokolowski


11:31

the phon edidn't ring


could you try a Telegram call?

11:32

 **Hanson – Genesis** 11:32
kk

 **Steve Sokolowski** 11:38
Incoming (360 seconds)


20 June 2022

 **Steve Sokolowski** 07:59
good morning, Hanson!


if you are not off today for the holiday, I guess I just wanted to say that I'm disappointed 07:59

I don't know how Genesis lent money to the "large counterparty" when a publicly accessible website stated that they had money in all sorts of DeFi protocols that have unaudited smart contracts and especially since their public website lists Luna as one of their investments 08:00

I understand that we were saved this time, but I'm not an expert in this stuff and I knew months ago to stay far away from any type of "stablecoin" except USDC 08:01


 **Hanson – Genesis** 08:04
Hey Steve

Are you talking about Three Arrows? 08:04

 **Steve Sokolowski** 08:04
yes


I know you can't confirm that 08:04

I just am worried that Genesis didn't recognize the risk of Terra 08:04


 **Hanson – Genesis** 08:04
They are (were I guess) one of the largest liquid hedge funds in crypto. We work with many such counterparts across our business lines (trading, lending, derivatives and custody).

Our business had no exposure to Luna so I'm not sure how that is relavent here haha 08:05

We did not lend them funds to deposit into Anchor 08:05

 **Steve Sokolowski** 08:05
ok, so the agreement was separate

as in if they lost money due to Anchor, it was their own problem 08:05

 **Hanson – Genesis** 08:05
3AC was a seed investor into Luna

In reply to [this message](#) 08:05
that is correct

SS

Steve Sokolowski 08:05

ok, I see now

then that makes me feel better 08:05

I thought your money just went into one big pot with them 08:05

H

Hanson – Genesis 08:05

Absolutely not

We do not principally invest any client loans/funds into DeFi on a prop basis 08:06

our lending desk is just a middle/third party for lenders/borrowers in the market 08:06

with our borrowers posting liquid collateral such as BTC to borrow USD from us 08:06

so we can then liquidate said BTC or hedge our position if they are not meeting margin calls 08:07
etc.

SS

Steve Sokolowski 08:07

ok, good, then these are secured loans

H

Hanson – Genesis 08:07

That is correct, we do have some unsecured loans on our balance sheet but these are with
extremely well capitalized counterparties who we have known for many years in the space that
run market neutral strategies

not taking directional exposure to the market 08:07

Did you happen to see our CEO post? 08:08

<https://twitter.com/michaelmore/status/1537822423806009344?s=20&t=gaZIMRzoVahc0ZQDTErTKQ>

I think you will find it a good read 08:08

SS

Steve Sokolowski 08:08

yep, I saw that already, thanks

H

Hanson – Genesis 08:08

Ah ok ok

SS

Steve Sokolowski 08:08

so these counterparties that are taking unsecured loans are people who, if they failed, the entire
industry would be done with anyway

H

Hanson – Genesis

08:08

In reply to [this message](#)

these would be large market makers who need access to capital to keep order books running healthily/smoothly

SS

Steve Sokolowski

08:09

like if Coinbase failed, for example

H

Hanson – Genesis

08:09

Coinbase would be an exchange, in the above scenario we work with the firms who are providing liquidity to the Coinbase order book

SS

Steve Sokolowski

08:10

ah, ok, but they aren't re-lending the money, so the risk with them would largely be if they were hacked

H

Hanson – Genesis

08:10

They are just using it as capital/balance sheet so that they can provide liquidity on exchanges correct, not taking a directional view

NYSE Arca Equity Lead Market Making Firms

08:10

- Credit Suisse Securities (USA) LLC
- Deutsche Bank Securities Inc
- Goldman Sachs and Company
- IMC Chicago, LLC
- Jane Street Capital, LLC
- RCG Americas LLC
- Latour Trading, LLC
- OTA, LLC
- Susquehanna Capital Group
- Timber Hill LLC
- Virtu Financial BD, LLC
- Wolverine Trading, LLC

these are examples of market makers for traditional equities

firms like those exist in crypto as well, high frequency trading firms helping the market run smoothly 08:11

but also on that note we have been reducing credit to all counterparties since the beginning of the year and then particularly post Luna collapse as our risk mgmt. framework tightened 08:11

SS

Steve Sokolowski

08:12

does the Three Arrows loss mean that there is less margin for error?

since, I imagine, the company will make much less profit this year

08:12

H

Hanson – Genesis

08:12

In reply to [this message](#)

Three Arrows?

I dont think they have any money left haha

08:12

but also they were not a market maker 08:13

SS

Steve Sokolowski 08:13

no, I'm talking about Genesis

H

Hanson – Genesis 08:13

they were a long/short hedg efund

SS

Steve Sokolowski 08:13

Genesis took some sort of loss as a result of that undoubtedly; so I assume you now have less margin for error given that profits were wiped out

you might not know what that looks like 08:13

H

Hanson – Genesis 08:14

At this time we are continuing to tighten up all credit/risk exposure to all of our counterparts

Have been working throughout the weekend to recall loans and top up collat across the board 08:14

But not our first time going through one of these cycles, as a firm been around since 2013 and the lending desk started in 2018 08:14

so have been able to navigate previous cycles and will continue to do so! 08:14

SS

Steve Sokolowski 08:15

ok, thanks for taking the time to talk to me; I didn't get a response on Friday even though I was told I would be sent the term sheet

I will talk with James and other and get back to you 08:15

H

Hanson – Genesis 08:15

No problem, sorry about that I'll follow up asap with Griffin to send that over

I was OOO on Friday for a wedding (nice reminder the world keeps turning haha) so missed that 08:17

SS

Steve Sokolowski 08:17

you probably missed the most important day in the industry's history

H

Hanson – Genesis 08:17


I was working :) just a bit in and out


SS

Steve Sokolowski 08:18

I apologize for my insistence earlier but I'm starting to get like my grandfather, who went bankrupt in a bank run in 1930, and he never used a bank after that


over the past five years we've lost \$410,000 to exchanges and lenders who lose or steal money 08:19

 **Hanson – Genesis** 08:19
No its okay I understand, there is a lot going on right now and when it comes to this sort of thing we want to make sure we are all on the same page

 **Steve Sokolowski** 08:21
the one thing that makes me feel OK here is that if Genesis goes down, then Coinbase and Gemini and Ledn and pretty much everyone goes with it


 **Hanson – Genesis** 08:21
In reply to [this message](#)
this should be sent now

 **Steve Sokolowski** 08:21
thanks


 **Hanson – Genesis** 08:21
In reply to [this message](#)
That would not be a fun day haha, we will all come out of this stronger

 **Steve Sokolowski** 08:21
and the second sheet for 3 months 4% 202 bitcoins would be fine too

 **Hanson – Genesis** 08:21
Flush out the bad actors

 **Steve Sokolowski** 08:26
actually, scratch that last question, I'll delete those messages
not interested in that so don't waste your time 08:26

 **Hanson – Genesis** 08:26
Kk no worries

 **Steve Sokolowski** 08:48
just want to make sure that the remaining open-term ETH will be paid at the 2.50% rate, not the 1.65% rate, which I hope you agree is too low given that the risk has changed since that loan was created

 **Hanson – Genesis** 08:48
Hey Steve yes that will be reflected as well

SS Steve Sokolowski 08:49
great, thx

H Hanson – Genesis 08:49
np

SS Steve Sokolowski 09:04
[Protected by NDA]
the sheet can only be for 202 09:04
the sheet you sent me is for all of them 09:05

H Hanson – Genesis 09:06
Thats being resent
internal miscommunication sorry about that 09:06

SS Steve Sokolowski 09:06
np

SS Steve Sokolowski 09:47
I don't know if this is on purpose but I think your accounting is incorrect, there is too much money listed in the dashboard
loans 156355 and 156359 appear to be correct, but 156358 has extra money that I don't know where it came from 09:48

H Hanson – Genesis 10:24
Hey Steve, I touched base with our Ops team and they are telling me recent activity is related to the refinancing and consolidating of the loans

SS Steve Sokolowski 10:25
ok, I guess I'll just wait and see whether that clears up and contact you tomorrow if it doesn't
or, maybe I'm misunderstanding 10:25

H Hanson – Genesis 10:25
Okay sounds good, if need be we can sync with you, Dan and myself tomorrow

SS Steve Sokolowski 10:25
the total balances appear right so there must be something I don't understand about the table
but it looks like you understand how much total money is there so it must be my fault 10:25
will get back to you tomorrow 10:26

H **Hanson – Genesis** 10:26
 Okay great sounds good
 Let us know if any q's 10:26

23 June 2022

SS **Steve Sokolowski** 08:12
 good morning Hanson, could you send me what rates you're offering for litecoins now?

H **Hanson – Genesis** 08:12
 Hi Steve good morning
 Sure one moment, how many total units? I'm just walking into the office now so can't check if you are currently lending us any 08:12

SS **Steve Sokolowski** 08:13
 [Protected by NDA]
 if the exact number is important for the rate I don't want to make a promise until I run that calculation 08:14
 the rough estimate would be that 5000 could be locked up 08:14
 but that could be way off in either direction 08:14

H **Hanson – Genesis** 08:57
 Right now we would only be paying for OT
 so no added benefit/rate increase for FT 08:57
 not much demand for us in that name it lock it up 08:57

SS **Steve Sokolowski** 09:04
 are there any other coins that you would pay more to lock up?
 probably not, I guess 09:04
 I'm not willing to lock up dollars because if ETH goes into a panic I want to put in a buy order at Genesis 09:04

18 July 2022

SS **Steve Sokolowski** 12:14
 hey Hanson, are you aware of how Coinbase has been halting our payouts?
 I don't know if Genesis knows this but I thought it would be worth passing on given all the rumors about their financial state 12:15

we had 2000 payouts require 3-day "security holds" all of a sudden this weekend and none of the support agents have any idea why 12:16

ah, I see you're out of the office so I'll paste this in the general chat 12:16

12 September 2022

H **Hanson – Genesis** 11:00
Hi Steve what is a good number to call you

SS **Steve Sokolowski** 11:01
you can just make a Telegram call

I'll go get my phone now 11:01

ok, I'm here 11:01

H **Hanson – Genesis** 11:01
 **Steve Sokolowski**
Incoming (2 seconds)

Genesis
A Digital Currency Group Company 11:02

BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.50%	Open Term	1.50%	Open Term	4.00%
1-month	2.00%	1-month	2.00%	1-month	3.50%
2-month	3.00%	2-month	3.00%	2-month	7.00%
3-month	3.25%	3-month	3.25%	3-month	7.50%
4-month	3.50%	4-month	3.50%	4-month	7.75%
5-month	3.75%	5-month	3.75%	5-month	8.00%
6-month	4.00%	6-month	4.00%	6-month	8.25%
7-month	3.75%	7-month	3.75%	7-month	8.50%
8-month	3.75%	8-month	3.75%	8-month	8.75%
9-month	3.60%	9-month	3.60%	9-month	9.00%
10-month	3.60%	10-month	3.60%	10-month	9.00%
11-month	3.55%	11-month	3.55%	11-month	9.00%
12-month	3.50%	12-month	3.50%	12-month	9.00%

Genesis minimum: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of September 12th 2022. Genesis borrows unsecured. Rates are subject to change.

SS **Steve Sokolowski** 11:07
 **Hanson – Genesis**
Outgoing (334 seconds)

13 September 2022

SS **Steve Sokolowski** 08:16
hey Hanson, just wanted to ask a quick question – how is it that Gemini is offering rates of 3.04% on ETH open term, while your posted rates are less than that

shouldn't Gemini need to pay less than what Genesis pays Gemini? 08:16

H **Hanson – Genesis** 09:56

Hey Steve, we work with retail based platforms such as Gemini to access markets which we otherwise could not (as we are institutional facing). They also provide us with inventory in names which we might not otherwise have supply in which benefits our business

The rates Gemini pays can vary from facing us directly 09:56

As also we are much more high touch/bespoke when clients face us directly 09:56

SS

Steve Sokolowski 09:57

ok, thanks – I was just trying to figure out what the reason for the mismatch is,

H

Hanson – Genesis 09:57

They can also subsidize rates if they would like

We give them one rate we pay them 09:57

They can if they choose add more on top 09:57

Which drives clients to their exchange etc 09:57

SS

Steve Sokolowski 09:57

ah, I see, so they might believe ppl will trade that interest for other coins

H

Hanson – Genesis 09:58

Yes or just use their custody etc or other business lines once onboarded

3 November 2022

H

Hanson – Genesis 09:44

Hey Steve

A second advantage of BlockFi is their handling of the ETHw fork. BlockFi paid its customers around \$7 for every ETH they held in their account at the time of the fork, awarding us thousands of dollars of free money. Genesis, on the other hand, pointed to a clause in their contract stating that they were not obligated to pay any money because the fork didn't reach 5% of ETH's value. Genesis does allow fixed-term loans to be broken before forks, but the wording in the contract is vague, and one would have to give up days or weeks of interest, and the opportunity cost of potentially not getting that interest rate when the loan is renegotiated, in exchange for a guess on what the value of the forked coin might be.

It's not clear to me why BlockFi was able to obtain ETHw and Genesis was not. Genesis explained the issue by stating that their contracts with borrowers don't require the borrowers to refund them any forked coins, which is reasonable. They didn't clarify what happened to the ETHw they borrowed for themselves in their own wallets to facilitate trades, and what happened to the coins associated with the money that they have borrowed but not yet repaid. That ETHw was likely pocketed by Genesis.

The ETHw paid by BlockFi resulted in a net interest rate 0.5% higher than what BlockFi actually promised. The expected value of forks should be considered in comparing interest rates.

09:45

Understood, not sure how their legal documents are structured but also for your knowledge our arrangements with lenders/borrowers is symmetrical so we also were not receiving any tokens on the other side of our book when applicable 10:28 AM ✓

Hanson - Genesis
in the MBA we outline what happens/occurs during forks
Which we discussed back in August prefork to alert you of what would and would not trigger 10:29 AM ✓

Steve Sokolowski
ah, ok, so they probably kept the tokens 10:29 AM

That is correct as we did not have legal recourse to them as ETHw ended up being less than 1% of the 30 day average of ETH so our clause did not trigger 10:30 AM ✓

on a market cap basis 10:30 AM ✓

09:45

As I explained to you, we did not have ETHW to give to you because of the legal contract outlined which was executed. This same legal contract is in place with our borrowers with the same terms.

there was no ETHW that we received from them to pay you as a lender

SS

Steve Sokolowski

oops – I will clarify that

part of this was written before you said anything about ETHW, and it's my mistake not to have corrected it

H

Hanson – Genesis

Its okay just want to make sure that the information is accurate there if you are choosing to write about it haha

SS

Steve Sokolowski

I definitely want to have accurate information

after all, this one recommends Genesis

my only complaint with Genesis really in the past was that your rates were so much lower than the other companies

H

Hanson – Genesis

not. Genesis explained the issue by stating that their forked coins, which is reasonable. They didn't clarify huge wallets to facilitate trades, and what happened to re-lent. That ETHW was likely pocketed by Genesis.

this part in particular, we didn't receive it from borrowers as well so nothing to pocket

SS

Steve Sokolowski

in regards to that specific statement, there is money you have in huge wallets, right?

that you use to facilitate trades, like if I were to ask you to sell all the dogecoins

so if dogecoin forked, you would have a lot of money

are those wallets custody wallets for other people's money?

that would help with clarifying that point

wallet 0x0548f59fee79f8832c299e01dca5c76f034f558e, for example

H

Hanson – Genesis

we have many different wants and funds either in custody using a 3rd party such as fireblocks, our own custody solution or directly one exchanges to facilitate trades

so we have to work with all of those providers if there is any fork

to access any potential token 10:01

SS

Steve Sokolowski

10:02

ok, am correcting that now

SS

Steve Sokolowski

10:24

ok, finished – the corrections will be public when the next cache refresh occurs at the top of every hour

H

Hanson – Genesis

10:41

thanks Steve

appreciate it

10:41

Let us know if you want to break your loan at BlockFi and move here 😊😊

10:41

SS

Steve Sokolowski

10:42

I saw that your ETH rates declined

so it wouldn't make sense anymore

10:42

and that the ideal term is now longer, not five months but eight

10:43

we would be insolvent with such a long term

10:43

8 November 2022

SS

Steve Sokolowski

06:38

good morning, Hanson – we need to talk about whether you have uncollateralized loans with Alameda

H

Hanson – Genesis

06:39

We do not



06:39

SS

Steve Sokolowski

06:39

ah, that's great news

they're overcollateralized?

06:39

if so that's all I need to ask

06:39

Alameda clearly isn't long for the world with the way that token is performing

06:40

SS

Steve Sokolowski

09:31

how much would you pay if we sent you back our 205 open-term ETH?

can you match Gemini's rate of 2.25?

09:32

H

Hanson – Genesis

09:36

Genesis			
A Digital Currency Group Company			
BTC		ETH	
Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%
1-month	1.75%	1-month	1.75%
2-month	2.50%	2-month	2.50%
3-month	3.00%	3-month	3.00%
4-month	3.50%	4-month	3.50%
5-month	4.00%	5-month	4.00%
6-month	4.50%	6-month	4.50%
7-month	5.00%	7-month	5.00%
8-month	5.50%	8-month	5.50%
9-month	5.25%	9-month	5.25%
10-month	5.00%	10-month	5.00%
11-month	4.75%	11-month	4.75%
12-month	4.50%	12-month	4.50%
USD			
Duration	Rate		
Open Term	6.00%		
1-month	7.00%		
2-month	8.00%		
3-month	9.75%		
4-month	9.85%		
5-month	9.95%		
6-month	10.00%		
7-month	10.50%		
8-month	11.00%		
9-month	11.25%		
10-month	11.50%		
11-month	11.75%		
12-month	12.00%		

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm

* Indicative rates as of November 7th 2022. Genesis borrows unsecured. Rates are subject to change.

here is our current rates

can beat 2.25 for duration on ETH

09:36

SS

Steve Sokolowski

09:36

[Protected by NDA]

I'll just go to cold storage

09:36

H

Hanson – Genesis

09:37

Okay sounds good

SS

Steve Sokolowski

09:37

BlockFi will only provide a generic response that they can meet obligations to the question of whether their loans to Alameda are collateralized

H

Hanson – Genesis

09:40

In reply to [this message](#)

Thanks Steve

I hope they can continue to process withdrawals

09:41

SS

Steve Sokolowski

09:42

I hope so too, we won't be your customer anymore if they don't, because we'll be wiped out

but the whole situation could just be panic too

09:42

even if BlockFi is in trouble that doesn't mean that Alameda will collapse

09:43

H

Hanson – Genesis

09:43

In reply to [this message](#)


it definitely feels that way, big run on the bank which causes other market participants to feel the same way

for what its worth, we have seen FTX restart processing withdrawals once US bank reopened


09:44

they must have a very very large backlog

09:44

 **Steve Sokolowski** 09:44
I don't think that FTX is actually insolvent
it's only about whether people sell the FTX token down enough to cause Alameda to fail 09:44

11 November 2022

 **Steve Sokolowski** 15:53
so I guess the lesson learned here is that it is just not possible to determine who is a fraudster in this industry
there were a lot of really smart people who told me that Alameda Research was the gold standard 15:54

5 December 2022

 **Hanson – Genesis** 16:08
Hey

 **Steve Sokolowski** 16:08
hi Hanson